

A Brief Look at Corporate Governance

The term “corporate governance” may sound impressive but what exactly does it mean? Can you learn it? Who needs to practise it and is it very difficult?

What corporate governance actually means is the way that corporations are run, the way they are directed and controlled. Governance structures are what identify the rights and distribution of responsibility throughout the various participants within the corporation. This includes such people as the board of directors, the shareholders, managers, auditors, creditors and regulators as well as other stakeholders in the organisation.

It also describes the way that each corporation sets out its objectives and the steps it takes to pursue them, taking into consideration marketing, social and regulatory aspects of the business.

There are a variety of courses which people can take in order to give them a clearer picture about the topic and enable them to steer their organisations in the right direction. Running any type of organisation is certainly a team effort which needs all members of the team working independently yet towards a common goal – all well oiled cogs working to turn the same wheel in the same direction. Without these skills the organisation can drift along without direction and often not function in the way it ought to be able.

Many organisations book this type of course for a large number of their executives so that everybody is singing from the same hymn sheet, so to speak. Organisations do not run themselves and one weak link can potentially have disastrous consequences which can affect hundreds of not thousands of people.

It is a complex business that needs to be understood and steered in the right direction, which is why this type of training course is becoming increasingly popular around the World. The phrase does have slightly different connotations in different countries, as each place will have their own exclusive set of rules and regulations about the correct way to manage and steer a large organisation and the responsibilities therein. Many eyes are particularly focussed on the topic of executive pay deals these days as well as bonuses which may appear to be paid out regardless of the calibre of the job that has been done.

As you may have noticed it is difficult to discuss the complexities of corporate governance in such a short time, but I hope that this gives you an insight into the meaning of the phrase and the importance attached to it.

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